

215 ILCS 5/900

Sec. 900. Group legal expense defined.

Group legal expense insurance means that form of legal expense insurance covering not less than 10 employees, members, or employees of members, written under a master policy issued to any governmental corporation, unit, agency or department thereof, or to any corporation, copartnership, individual employer, or to any association upon application of an executive officer or trustee of such association having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance, where officers, members, employees, employees of members or classes or departments thereof may be insured for their individual benefit. In addition, a group legal expense policy may be written to insure any group which may be insured under a group life insurance policy. The term "employees" includes the officers, managers and employees or subsidiary or affiliated corporations, and the individual proprietors, partners, and employees of affiliated individuals and firms, when the business of such subsidiary or affiliated corporations, firms or individuals is controlled by a common employer through stock ownership, contract or otherwise.

(Source: P.A. 81-1361.)

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Sec. 901. Group legal expense insurance authorized. Any insurance company authorized to write legal expense insurance in this State shall have the power to issue group legal expense insurance policies. No policy, certificate, endorsement, rider, or application which becomes or is designed to become a part of any such policy of group legal expense insurance may be issued or delivered in this State unless a copy of the form shall have been filed with the Director of Insurance in accordance with Section 143 of this Code. Such policy, certificate, endorsement, rider, or application must contain those provisions required by Sections 902 through 906 of the Code. No such policy, certificate, endorsement, application or rider shall contain any provision which would interfere with the freedom of choice by the insured in the selection of attorneys except that the insurer may select and contract with attorneys to verify plan coverage and to provide the insureds with legal services which consist of initial advice and consultation. Nothing herein shall prevent an insured, after plan coverage has been verified, from choosing to go directly to his or her own attorney of choice for initial advice and consultation, subject to applicable policy limitations. Every such policy, certificate, endorsement, application or rider shall prominently display language advising the insured of such freedom of choice by the insured in the selection of attorneys and that

no company issuing such policy, certificate, endorsement, application or rider may require, suggest or recommend the use of any attorney or firm of attorneys, provided, however, that dissemination by an insurer of the names of attorneys who have agreed to accept legal expense insurance benefits as payment for certain legal services shall not constitute a requirement, suggestion or recommendation of the use of any attorney or firm of attorneys. The foregoing shall not prohibit referral of insured by the insurer to any lawyer referral service authorized or operated by a state, county, local or other bar association. Any insurance company issuing such policies shall in no way interfere with the attorney-client relationship nor with the independent exercise of professional judgment by any attorney.

(Source: P.A. 83-774.)

215 ILCS 5/902

Sec. 902. "Entire Contract" specified. Each group legal expense insurance policy shall provide that the policy, the application of the employer, or executive officer or trustee of any association, and the individual applications, if any, of the employees, members or employees of members insured shall constitute the entire contract between the parties, and that all statements made by the employer, or the executive officer or trustee, or by the individual employees, members or employees of members shall, in the absence of fraud, be deemed representations and not warranties, and that no such statement shall be used in defense to a claim under the policy, unless it is contained in a written application.

(Source: P.A. 81-1361.)

215 ILCS 5/903

Sec. 903. Certificates Required. Each group legal expense insurance policy shall provide that the insurer shall issue to the employer, or to the executive officer or trustee of the association, for delivery to the employee, member or employee of a member, who is insured under such policy, an individual certificate setting forth a statement as to the insurance protection to which he or she is entitled and to whom payable, if appropriate.

(Source: P.A. 81-1361.)

215 ILCS 5/904

Sec. 904. New Members of Group. Each group legal expense insurance policy shall provide that to the group or class thereof originally insured shall be added from time to time all new employees of the employer, members of the association or employees of members eligible to and applying for insurance in such group or class, but participation in the group plan shall not be required as a condition of employment, nor shall any member not participating in the plan be coerced or discriminated against.

(Source: P.A. 81-1361.)

215 ILCS 5/905

Sec. 905. Conversion Rights. Each group legal expense insurance policy shall provide that any member of the group shall have the right to convert his group policy to an individual standard policy of insurance in the same company as offered by the insurer to the non-group insureds upon termination of his connection with the group extending to him or her the same limits of coverage.

(Source: P.A. 81-1361.)

215 ILCS 5/906

Sec. 906. Cancellation Restricted. An insurer may not cancel the coverage of an individual member of a group to which the insurer provides coverage under a group legal expense insurance policy except for the nonpayment of premium by such member, or the group policyholder if premium is paid or collected by it for transmittal to the insurer or unless the insurance for the entire group is cancelled. In the event of cancellation the insurer shall:

(1) If it has in its actual possession the names and addresses of individual members insured under such group legal expense insurance policy, deliver to the individual member written notice of cancellation stating when, not less than 30 days thereafter, such cancellation shall be effective provided, however, that if such cancellation is the result of nonpayment of premium by such member or the group policyholder, a notice of 10 days shall be sufficient.

(2) In the event the insurer does not administer the group legal expense insurance policy and is not in actual possession of the names and addresses of individual members insured under such policy, the insurer shall deliver to the employer or to the executive officer or trustee of the association for delivery to the employee, member or employee of a member who is insured under such policy individual notice of cancellation forms stating when, not less than 30 days thereafter, such cancellation shall be effective provided, however, that if such cancellation is the result of nonpayment of premium a notice of 10 days shall be sufficient. The insurer shall not be required to furnish notice of cancellation under this Section to the group policyholder when an individual member's insurance is terminated by reason of nonpayment of premium unless it has specific knowledge of the individual's failure to pay premium.

Delivery shall be considered effective by the mailing of such notice if subsection (1) above is applicable to the last address of the member as shown on the records of the insurer, and under subsection (2) by the mailing of such notice to the last address of the group policyholder as shown on the records of the insurer.

(Source: P.A. 81-1361.)